



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

2003 Washington State Consolidated Annual Performance And Evaluation Report

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State of Washington 2003 Consolidated Annual Performance and Evaluation Report

Purpose

Each year the state of Washington reports to the U.S. Department of Housing and Urban Development (HUD) and the public on its progress toward achieving the goals it has set in its Five-Year Consolidated Plan. The Plan outlines the strategies and objectives the state will pursue in order to meet the needs of low- and moderate-income persons in the state. This Consolidated Annual Performance and Evaluation Report (CAPER) specifically describes the use of funds provided by HUD under the state Community Development Block Grant (CDBG) Program, the HOME Investment Partnership, the Housing Opportunities for Persons with HIV/AIDS (HOPWA) Program and the Emergency Shelter Grant (ESG) Program. These programs, and the Consolidated Plan Requirements, are administered by the Department of Community, Trade and Economic Development (CTED).

Information on other statewide community development and housing activities, such as those of the Washington State Housing Finance Commission (WSHFC), is also included in this report.

The period covered by this CAPER is January 1, 2003 to December 31, 2003. Since the Consolidated Plan itself covers a five-year period, it should be understood that while there may be progress made toward each goal over the past year, progress toward each strategy and initiative might not occur in a given year.

Persons wishing to learn more about the Consolidated Plan will find more information at

<http://www.cted.wa.gov/DesktopDefault.aspx?tabid=679&tabindex=67>.

EXECUTIVE SUMMARY & SELF-EVALUATION

Goals	<p>Washington State established the following five broad goals to pursue for the 2001 - 2005 Consolidated Plan:</p> <ul style="list-style-type: none">❑ Provide safe, decent, and affordable housing, targeting households that earn up to 80 percent of the area median income.❑ Promote housing opportunities that contribute to the development of healthy, sustainable communities.❑ Affirmatively further fair housing in Washington State.❑ Remove or mitigate negative effects of policies that serve as barriers to affordable housing.❑ Enhance Coordination.
Resources	<p>This was the third year of operations under the current Consolidated Plan. Federal resources, available to carry out the initiatives and activities listed under the five broad categories mentioned above, had increased from \$64 million to over \$65 million while non-Federal resources saw a 12 percent decline from \$321 million to \$281 million.</p> <p>In spite of reductions in non-Federal investments, progress in a number of affordable housing and community development areas continued to be made in Washington State in 2003.</p>
Highlighted Results	<p><i>Housing Trust Fund and HOME Activities</i></p> <p>New construction of rental units continued to dominate the type of housing funded by the Housing Trust Fund (HTF) and HOME dollars providing financing to over 2,000 new multi-family rental units across the state. Homebuyer and homeowner activities made important gains in 2003. First time homebuyer assistance saw an increase of 22 percent with a total of 142 homebuyers assisted and 31 "sweat equity" projects were funded, up from 16 the previous year.</p> <p><i>Increased Awards for Special Needs Housing</i></p> <p>Funding for special needs housing increased for the second year in a row with \$26 million awarded to provide housing assistance for the chronically mentally ill, youth, elderly and other special needs populations, a 16 percent increase since 2001. More than 900 new units, serving populations with special needs, will be added.</p>

One-Time Homeless Count

Important strides were made in the area of homeless data collection. For the first time ever, an unduplicated count of people who are homeless in 24 counties in the Balance of State Continuum of Care was conducted in October 2003. The count not only collected numbers of homeless persons, but also collected information on disabilities, length of time homeless, location where they became homeless, and income. This rich source of data has just begun to be tapped by state and local continuum planning groups in their collective efforts to address homelessness.

Using Resources from New Dedicated Funding Source

Steady progress was made in planning and coordinating critically needed housing assistance using the newly created resources of Senate House Bill (SHB) 2060 passed in 2002. CTED increased an existing contract with Common Ground to provide education to statewide organizations on SHB 2060. Taking advantage of this assistance, thirteen counties have already executed interlocal agreements with the cities in their jurisdiction and eight more counties are in various stages of developing agreements. Each county is tailoring the use of SHB 2060 funds to fit the priority needs of their local area. A variety of strategies are expected to be implemented in 2004.

Affordable by Design Progress

Affordable by Design, a program sponsored by CTED, made significant progress in 2003. Created to encourage affordable, attractive, high-density residential housing in urban-growth areas, this program launched an interactive Web site and funded four demonstration projects in the cities of SeaTac, Seattle, Mill Creek, and Mountlake Terrace.

Energy OutWest Planning Continues

Washington State continues to take the lead in the six-state regional weatherization conference called "Energy OutWest." The conference provides training designed to advance the technical capacity of the home weatherization services network to provide quality services that lower home energy costs of low-income households. The conference is one of many biennial events the state has led to bring together local weatherization program managers, building science technicians, contractors and other service providers with national experts in the field of residential energy conservation retrofit. Planning for next year's "Energy OutWest" was undertaken in 2003.

State Community Development Block Grant Program Assists Communities

In 2003, the state Community Development Block Grant (CDBG) Program allocated over \$19 million to assist Washington State small cities, towns and counties in carrying out significant community and economic development projects that principally benefit low- and moderate-income persons. Low- and moderate-income is defined as 80 percent of county median income. Sixty-four new projects were funded, 52 previously funded projects were successfully completed and technical assistance was provided to help local governments identify priority projects and access state CDBG funds.

Challenges and New Direction

Slow "Jobless" Recovery Predicted

Washington State's Office of Financial Management has reported that with tax cuts and investments encouraging both consumers and businesses to spend, the recent acceleration of economic growth in the second half of 2003 is expected to carry into 2004. Though the official recovery is now nearly two years old, economic growth has been too weak to generate net job growth. To date, Washington's recovery has been "jobless" as evidenced by decreases in payroll employment. Washington's payroll employment in the third quarter of 2004 was 0.6 percent lower than in 2001. Additionally, while housing has been a rare source of strength in Washington, as well as nationally, the housing frenzy is expected to subside because of the weak population growth that Washington is currently experiencing. Experts predict that the recovery in Washington will be unusually slow. The state's affordable housing community may face new challenges as fees collected from the recently created SHB 2060 legislation decline and housing activity across the state slopes downward.

Developing a new Five-Year Plan

As the state enters a period of uncertain economic times, and when state and local governments are facing a specific mandate from HUD to develop better performance measures to demonstrate the effective use of federal resources, CTED has decided to update its Consolidated Plan earlier than scheduled. Throughout 2004, CTED will work with stakeholders, housing developers, the WSHFC, local officials, and other affordable housing and community development experts and organizations to re-examine our current strategies and objectives. We want a focused plan of action to create and preserve safe, decent and affordable housing and to address the vital community development issues of our state.

Better Information Management Systems

A key component of our planning effort is seeking to improve our data collection and reporting system. While we can identify and create better performance measures, we also need to reliably and accurately track and report program and financial data. A major improvement initiative at CTED called *Enterprise Architecture* is currently underway. An important component of this effort is the new Housing Management Information System (MIS) project involving data on housing loans and grants that have been made since the inception of the HTF. Managers have begun to meet to lay out the new reports and data collection systems that will be needed for the future. We want this effort to substantially improve our ability to report on services by household income category.

HUD's Integrated Disbursement and Information System (IDIS)

CTED continues to experience challenges in evaluating the housing reports that are produced under HUD's management information system called IDIS. The state has made improvements to close old projects and correct data entry errors, however, a significant amount of "clean -up"

remains. This has also resulted in reports that reflect disbursement and service activity that can be confusing to the observer who is not familiar with what CTED is attempting to correct. The state is continuing to work with HUD's representatives to identify the best reports available on service by household income category and to find out what possibilities exist within the IDIS reporting system in order to provide reports that can be of use in evaluating HOME activities fairly and accurately. As of 2003, the state CDGB Program has fully instituted IDIS for its community development, housing and economic development loan fund activities.

In 2004 CTED will specifically work to eliminate the back-log in closing old projects and to ensure that current close-outs are completed in a timely fashion. Additionally, we will work to see if IDIS can produce reports on disbursements by household income type and investigate Tenant Based Rental Assistance (TBRA) reporting by program year instead of just a cumulative report.

PART 1

2003 PROGRESS TOWARD ACHIEVING STRATEGIES

The Washington State Consolidated Plan outlines five major goals and twenty-three specific strategies to improve housing and community development conditions in the state. The state has made significant progress toward carrying out these strategies in the third year of the five-year plan. The Department of Community, Trade and Economic Development has tracked the state's progress in implementing those specific strategies using performance measurements and other data, as follows.

A. AFFORDABLE HOUSING

Table 1A - Summary of Federal Resources Invested

Program	Source of Funds	State Administering Agency	Grantees	2002 Funding	2003 Funding
HOME	HUD	CTED	Units of local government, nonprofits, public housing authorities	\$9,648,254	\$9,220,092
Weatherization	DOE, Bonneville HHS	CTED	Community action agencies	\$10,904,154	\$12,449,244
CDBG	HUD	CTED	Units of local government/non entitlement	\$16,183,000	\$18,900,000
ESGP	HUD	CTED	Units of local government, PHAs, nonprofits	\$1,062,000	\$1,053,000
LIHTC	Federal Tax Credits	Housing Finance Commission	For profit and not for profit housing developers	\$12,469,805 competitive tax credits \$9,877,113 tax credits on bond financed deals	\$10,202,970 \$9,133,650
PATH	HHS	DSHS	Units of local government	\$688,000	\$820,000
Administrative Agency	HUD Fees	CTED	N/A	\$63,228	\$66,283
Supportive Housing Program, S+C, SRO Mod rehab	HUD	CTED	Nonprofits	\$1,413,094	\$2,999,151
HOPWA	HUD	CTED	Nonprofits	\$608,000	\$637,000
EDI - Special Project Grant	HUD	CTED	Growers & Farmers	\$1,340,410	\$0
TOTAL				\$64,257,058	\$65,481,390

Table 1B - Summary of Non-Federal Resources Invested

Program	Source of Funds	State Administering Agency	Grantees	2002 Funding	2003 Funding
Housing Trust Fund including set-asides	Washington State capital budget	CTED	Nonprofits, units of local government, housing authorities	\$39,128,351	\$45,453,499
Technical Assistance for Housing Projects	Washington State Housing Accounts	CTED	Nonprofits, units of local government, housing authorities	\$650,000	\$286,000
Energy Matchmakers	Washington State capital budget & oil overcharge funds	CTED	Community action agencies	\$5,574,692	\$5,750,000
Emergency Shelter Assistance Program	Washington State general fund	CTED	Nonprofits, units of local government, housing authorities	\$4,977,386	\$5,231,812
Non-Profit Housing (Capital Projects)	Bonds	Housing Finance Commission	Nonprofit providers	\$35,520,000	\$51,602,435
Multi-Family Housing (Capital Projects)	Bonds	Housing Finance Commission	For-profit homebuyers	\$125,493,000	\$105,004,030
Single-Family (House Key Program)	Participating lenders	Housing Finance Commission	First-time homebuyers	\$107,625,377	\$65,069,904
Office of Manufactured Housing	\$15 Title transfer fee per home, at sale	CTED	None – direct Ombudsman services	\$268,260	\$281,897
Mobile Home Relocation Assistance Program	New fees collected starting January 2003	CTED	Homeowners required to relocate due to park closures	\$10,117	\$486,800
Manufactured Housing Installer Program	Fees for initial training & rectification	CTED	None	\$32,713	\$84,156
Transition Housing Operating and Rental Assistance (THOR)	State General Fund	CTED	Nonprofits, units of local government, and housing authorities	\$2,276,604	\$2,290,614
TOTAL				\$321,553,500	\$281,523,147

Table 1C – HOME

HOME DISBURSEMENTS AND UNIT COMPLETIONS				PROGRAM YEAR 2003			
ACTIVITY TYPE	DISBURSED AMOUNT	UNITS COMPLETED	UNITS OCCUPIED				
Rentals	\$765,721.56	54	49				
First-Time Homebuyers	\$0.00	0	0				
Existing Homeowners	\$1,255,402.00	241	241				
Total Rentals	\$765,721.56	54	49				
Total, Homebuyers and Homeowners	\$1,255,402.00	241	241				
Total All Activities	\$2,021,123.56	295	290				
HOME UNIT COMPLETIONS BY PERCENT OF AREA MEDIAN INCOME							
ACTIVITY TYPE	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	AS VACANT
Rentals	29	17	3	0	49	49	5
First-Time Homebuyers	0	0	0	0	0	0	0
Existing Homeowners	160	76	3	2	239	241	0
Total Rentals	29	17	3	0	49	49	5
Lower Income Benefit %	0.59	0.35	0.06	0.00	1.00	1.00	
Total, Homebuyers and Homeowners	160	76	3	2	239	241	0
Lower Income Benefit %	0.66	0.32	0.01	0.01	0.99	1.00	
Total Rental, Homebuyers and owners	189	93	6	2	288	290	5
Lower Income Benefit %	0.65	0.32	0.02	0.01	0.99	1.00	
HOME TBRA COMPLETED ACTIVITIES				ALL PROGRAM YEARS			
	0%-30%	31%-50%	51%-60%	61%-80%	0%-60%	0%-80%	
TBRA Families	2,659	339	11	3	3,009	3,012	
Lower Income Benefit %	0.88	0.11	0.00	0.00	1.00	1.00	

NOTES FOR TABLE 1C - HOME

General Information

This is information gathered from a standard pre-programmed report from HUD's Integrated Disbursement and Information System (IDIS) that summarizes accomplishments under HOME. As projects are completed, information on disbursements and services by percent of area median income (household income type) are entered into the IDIS system.

CTED uses HOME for developing and preserving multi-family rental units under the "Rentals" category. At close-out, some completed units are vacant, therefore the number of units occupied may not always equal the number of units completed.

CTED has not used HOME funds for first-time homebuyer projects for several years. This activity has been primarily funded through the HTF (non-Federal resource). However, older first-time homebuyer projects that were funded by HOME in the early years, have only now begun to be closed. Therefore some disbursement and service activity appears in more recent IDIS reports, although no new first-time homebuyer activity has occurred.

HOME funds for existing homeowners reflect the activities of the HOME Repair and Rehabilitation Program. This program provides repair and rehabilitation of low-income owner occupied single family dwellings often combined with federally funded weatherization services.

HOME Disbursement and Unit Completions

This is a report of disbursements of HOME funds by activity and by units completed and occupied. CTED has not located a report that will provide disbursement activity by household income type, within each activity. For example, there is no IDIS report that will indicate the amount disbursed for Rental projects that benefited those households with incomes of 0 percent to 30 percent.

HOME Unit Completions by Percent of Area Median Income

This is a report of households served in each activity area, by the percent of area median income group. For example, of the units completed and occupied in a given year in the "Rentals" line item activity, the number of households with incomes between 0 – 30 percent, 31 – 50 percent, 51 – 60 percent or 61 – 80 percent are so noted in the report.

HOME TBRA Completed Activities

This is a report of households served in the Tenant Based Rental Assistance (TBRA) program, by the percent of area median income group. However, unlike the reports for Rentals and Existing Homeowners, there is no separate report by program year. This table represents information reported for all program years. There is no IDIS report that will show TBRA information by program year.

Historical Data

Information from 1999-2003 on the percentage of units completed for the lowest-income (0% - 30%) household group is provided below.

Households at 0 – 30 percent of Area Median Income

Program Year	1999	2000	2001	2002	2003
Rentals	54%	63%	57%	58%	59%
Existing Homeowners	65%	55%	62%	60%	65%

Table 1D - Summary of Resources Invested in Programs to Support Low-Income Homeowners

Source of Funds	2002 Funding	2003 Funding	Number of Units or Households Assisted	Other Funds Leveraged
HOME (federal)	\$1,926,108	\$2,834,614	208	\$360,611
Housing Trust Fund	\$2,375,672	\$4,173,441	173	\$24,313,650
US DOE	\$2,712,204	\$2,701,081	577	
HHS	\$5,137,198	\$4,122,165	881	
BPA (Carryover)	\$690,300	\$707,778	151	
Energy Matchmakers	\$3,289,068	\$3,478,395	1,046	\$3,500,000
CDBG	\$2,047,000	\$2,210,550	124	\$742,602
Mobile Home Relocation Assistance Program	\$10,117	\$486,800	16	
TOTAL	\$18,187,727	\$20,750,556		

Table 1E - Summary of Resources Invested in Programs to Support Low-Income Renters

Source of Funds	2002 Funding	2003 Funding	Number of Units or Households Assisted	Other Funds Leveraged
HOME (federal)	\$9,646,254	\$6,349,746	340	\$15,893,225
Housing Trust Fund	\$36,752,679	\$54,675,135	1,976	\$203,629,552
LIHTC	\$22,346,918	\$19,336,620	2,838	
US DOE	\$1,884,752	\$1,763,972	377	
HHS	\$2,106,251	\$2,692,026	575	
BPA (Carryover)	\$479,700	\$462,222	99	
CDBG	\$600,000	\$77,340	36	
Energy Matchmakers	\$2,285,624	\$2,271,605	683	\$2,300,000
TOTAL	\$76,102,178	\$87,628,666		

Goal I. Provide safe, decent, affordable housing, targeting households earning up to 80 percent of the area median income.

STRATEGY 1.

Provide a continuum of housing and services for homeless people, and forestall further homelessness through prevention activities.

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ DSHS Mental Health published and widely distributed a resource booklet on housing resources for people with mental illness. Two workshops for housing providers and mental health organizations were held with 135 people attending providing an excellent opportunity for education and problem-solving aimed at increasing housing opportunities for this vulnerable population. DSHS Mental Health Division also provided three on-site technical assistance sessions.
- ❑ Washington State's Homeless Management Information System (HMIS) is fully compliant with HUD's draft standard making it one of the few, if not the only, HMIS to meet HUD's standard at the national level.
- ❑ In October of 2003, the Skagit River flooded its banks, reaching levels that were in some places the highest in recorded history. The communities of Cape Horn, Concrete and Lyman were severely damaged, and the entire town of Hamilton was covered with 4 to 6 feet of water. At least 21 families were rendered homeless. The Skagit County Community Action Council worked with a variety of local agencies to relocate flood victims and CTED awarded the Council \$133,602 in Tenant Based Rental Assistance funds to provide rental assistance for those families.
- ❑ Through its partnership with local community action agencies, CDBG funded \$291,374 for public services that respond to household emergencies and disasters with direct relief and referrals to existing community programs, including one-time payments or short-term loans to families or individuals; legal assistance; shelter; clothing; intervention in emergencies resulting from child, spouse, alcohol or drug abuse; emergency medical and/or dental services; and/or cash support.
- ❑ Through its partnership with local community action agencies, CDBG funded \$70,019 for public services in support of transitional housing activities.
- ❑ Through its partnership with local community action agencies, CDBG funded \$99,971 for public services in support of emergency shelter activities.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 1.1 (Seek additional funding for emergency shelters and transitional housing and services)* HUD awarded \$2,999,151 of McKinney funding to CTED to continue 21 homeless projects and to start one new project targeting people who are chronically homeless in Thurston County. In

2003, two counties joined in the Balance of State Continuum of Care, more than doubling the amount awarded to the state's consortium effort.

- 1.2 *(Seek additional funding to increase transitional housing construction)* The state's Housing Trust Fund (HTF) awarded state capital funds to provide 290 units of transitional housing.
- 1.3 *(Collaborate to optimize the success and benefits of the Healthy Families Initiative)* The HTF provided more than \$6 million in financing for six Sound Families projects. Sound Families is a program developed by the Bill and Melinda Gates Foundation. These projects will build transitional housing for homeless families in King, Pierce and Snohomish counties.
- 1.8 *(Develop a homeless client tracking system)* In 2003 CTED joined with the city of Seattle, King County, and Snohomish County to unify the software and training materials used to deploy our respective Homeless Management Information Systems. This unified effort has resulted in more efficient use of software customization resources, and will guarantee that collected data can be analyzed across jurisdictions. This joint effort has led to the creation of the only HMIS software fully compliant with the draft HUD HMIS data standards.
- 1.9 *(Increase partnering of service providers and housing developers)* There continues to be outstanding examples of collaboration between service providers and experienced housing developers. During the last year, the HTF has funded two projects sponsored by special needs organizations. Since these applicants have little or no housing development experience, they have successfully partnered with an experienced development consultant. The Compass Center in Seattle's Pioneer Square has been serving the needs of homeless men since 1946. The Nisqually Earthquake of 2001 damaged their primary shelter. With the assistance of Common Ground, they developed a successful project design to rehabilitate their historic building and expand their capacity. A new building will house 78 units of transitional housing using the HTF award of \$2,000,000 or 14 percent of the \$14,776,623 total development cost.

The Abused Deaf Women Advocacy Service has been serving the needs of deaf and deaf-blind survivors of domestic violence since 1985. Part of their service has been to find a specially designed emergency shelter and transitional housing facility for this population. The new building will have six emergency shelter units, 19 transitional housing units and the administrative offices for this organization. The HTF award was \$1,383,565 or 22 percent of the \$6,394,762 total development cost.
- 1.10 *(Prevent homelessness by preventing evictions)* Over the past 12 months CTED has provided financial assistance to 15,815 single adults and 26,675 persons in families with children to help prevent evictions or to assist them in moving from a shelter to an affordable rental unit. This is a significant increase from the previous year with as much as four times as many people served in 2003 from 2002.

**Table 1F – Summary of Program Assistance Provided to
People who are Homeless**

(Shelter and Services for People who are Homeless)

Source of Funds	2002 Funding	2003 Funding	Number of Units or Households Assisted	Other Funds Leveraged
ESGP (federal)	\$1,062,000	\$1,053,000	19,369 individuals in 9,837 households	
THOR (state)	\$2,278,604	\$2,290,614	1,576	
ESAP (state)	\$4,977,386	\$5,213,812	35,943	\$5,250,000
Housing Trust Fund	\$9,149,305	\$7,279,303	175 units	\$60,137,709
Supportive Housing Program	\$1,413,094	\$1,697,357	783	
TOTAL	\$18,880,389	\$17,534,086		\$65,387,709

STRATEGY 2.

Continue operation and increase the supply of housing along the continuum of housing needs for agricultural workers. This includes seasonally and permanently occupied rental and ownership housing. Increase technical assistance and capacity of organizations to develop housing for farmworkers. Encourage a collaborative approach to developing housing for farmworkers among the private for-profit, private non-profit and public housing authorities.

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ CTED provided funding to support 23,751 bed-nights in the seasonal migrant camps in Wenatchee and Oroville. CTED has also awarded a \$50,000 operating subsidy to the Housing Authority of Grant County for the operation and maintenance of the seasonal migrant housing camp, Esperanza, in Mattawa. The camp provided 21,339 bed-nights during the 2003 harvest season.
- ❑ CTED provided funding for the Rent-A-Tent Program, which was operated by the Washington Growers League. The program created 17,559 bed-nights during the 2003 harvest season.
- ❑ CTED continues to work with a representative from the Washington Association of Counties to build partnerships at the local level for the development of farmworker housing.
- ❑ The HTF funded 155 units of permanent farmworker housing in various geographic locations throughout the state. Permanent housing includes 143 rental units and 12 home ownership units. There was also an award for eight units, which will create 96 beds of temporary seasonal housing. (2003 Calendar year—spring and fall rounds).
- ❑ CTED continues to fund the One Stop Creative Housing Solutions Program that provides technical assistance to growers and non-profit organizations to develop farm worker housing. The One Stop Program also provides assistance to growers who are applying for federal infrastructure money to support on-farm worker housing.
- ❑ CTED continues to partner with the Washington State Association of Counties to build partnerships at the local level for the development of farmworker housing.
- ❑ CDBG contributed infrastructure funding for the following projects:
 - Buena – 36 units of rental housing for farmworkers
 - Mabton – 22 units of housing for farmworkers

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 2.1 (*Maintain the current commitment of the Legislature to invest in farmworker housing and increasing funding by \$2 million*) The current funding levels have remained the same-\$8 million for 03-05.

2.2 (*Provide \$1.5 million in non-capital funds to assist in operating costs of farmworker housing, and establish an on-going revenue resource*) Operating and maintenance funds have been awarded to Esperanza, which is a seasonal migrant camp operated by the Housing Authority of Grant County. The housing authority was awarded \$50,000 each year for the next ten years to support operations and maintenance of the camp.

2.4 (*Continue to award additional points to projects proposing farmworker housing*) The WSHFC continues to award additional points to tax credit projects proposing to develop farmworker housing.

2.6 (*Continue operation of the One Stop Center and work toward increased funding of infrastructure loans for growers*) The state continues to support the One Stop Center. The Center provides technical assistance to non-profit groups, as well as individual growers, in the development of on-farm housing. In 2003 the Center responded to 600 calls.

Specific Performance Measures for 2003	
Measures	Accomplishments
200 additional units of housing will be created in 2001.	The Housing Trust Fund funded 155 units of permanent farmworker housing in various geographic locations throughout the state. Permanent housing includes 143 rental units and 12 home ownership units. There was also an award for 8 units, which will create 96 beds, of temporary seasonal housing. (2003 Calendar year—spring and fall rounds).
The One Stop Center will respond to 45 calls per month from farmers/growers.	Responded to 600 calls.

STRATEGY 3.

Maintain and ensure continued housing options for persons with special needs including, but not limited to, frail elderly, children in foster care or group care placements and persons with disabilities.

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ In the past year, the HTF provided funds to develop ten units for persons with HIV/AIDS, four for chronically mentally ill and eight for persons with developmental disabilities.
- ❑ The Affordable Housing Advisory Board (AHAB) established a goal of developing a supportive housing element for their five-year plan due in 2004. A subcommittee was established and will work through 2004 to identify specific outcomes in the areas of systems/funding integration and unit production and to establish a mechanism to evaluate impacts.
- ❑ CTED serves on a Supportive Housing Steering Committee that is designed to transform the current service delivery system into a more integrated system that delivers finances and services for people who are homeless. Through funding from the Corporation of Supportive Housing, projects in Seattle and Spokane are currently underway to create a "pipeline" of projects to develop supportive housing and to increase the investment by states and local jurisdictions in the creation of supportive housing.
- ❑ CDBG awarded \$24,000 for a feasibility study on the use of an Elk's building for the Adult Developmental Center, which would house services. Approximately 33 households would benefit.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 3.1 (*Seek state funding for operating support of special needs housing*) The state Legislature established funding that created the Operating and Maintenance Fund program in 2003. The initial award was made to Parkview Services for the Parkview VI and VII projects. These provided \$39,963 and \$44,511 respectively for one year. More awards are being finalized for 2004 and 2005.
- 3.3 (*Encourage and facilitate the expansion of the HomeChoice program that provides homeownership opportunities for people with developmental disabilities*) The Washington State Housing Finance Commission (WSHFC) provided more than \$950,000 in down payment assistance to 74 households, a 34 percent increase in the number served in 2002.
- 3.4 (*Encourage and facilitate partnerships between experienced housing developers, managers and service providers so that experienced personnel are contributing their unique skills and knowledge to the development process*) During the last year, the HTF has funded two projects sponsored by special needs organizations. Since these applicants have little or no housing development experience, they have successfully partnered with an experienced development consultant. The Compass Center in Seattle's Pioneer Square has been serving the needs of homeless men since 1946. The Nisqually Earthquake of 2001 damaged their primary shelter. With the assistance of Common Ground, they developed a successful project design to rehabilitate their historic building and expand their capacity. A new building will

house 78 units of transitional housing using the HTF award of \$2,000,000 or 14 percent of the \$14,776,623 total development cost.

The Abused Deaf Women Advocacy Service has been serving the needs of deaf and deaf-blind survivors of domestic violence since 1985. Part of their service has been to find a specially designed emergency shelter and transitional housing facility for this population. The new building will have six emergency shelter units, 19 transitional housing units and the administrative offices for this organization. The HTF award was \$1,383,565 or 22 percent of the \$6,394,762 total development cost.

- 3.5 *(Strengthen the partnership with DSHS to coordinate capital and service dollar appropriations to increase the amount of services available to persons with special needs)*
- Despite significant housing investments over the past ten years, existing rent-assisted and subsidized living units, and especially those linked to supportive services, are woefully insufficient to meet current demand. Housing by itself is insufficient to promote stability among individuals and families dealing with complex illnesses or struggling with social problems. Supportive services linked to housing are essential. Seattle and Spokane are currently engaged in a two-year effort called the "Taking Health Care Home" initiative that is designed to expand the existing array of supportive housing for homeless individuals and families available in their areas. They have enlisted the support of CTED and DSHS to ensure that the full range of systems involved in the funding and delivery of supportive housing are committed to this effort.

Specific Performance Measures for 2003	
Measures	Accomplishments
Develop or preserve 680 units of special needs housing.	928 units of special needs housing developed.
Establish a state-funded operating subsidy program for special needs housing within five years.	Newly created Operating and Maintenance subsidy program makes initial award in late 2003.
Increase the number of applications from service providers who have partnered with experienced housing developers.	Efforts to encourage partnerships continue. This year, two projects were developed as a result of this type of collaboration.
Develop and disseminate a public information packet for neighborhoods to educate them on special needs housing by 12/31/01.	No specific action taken during the report period.
Identify and publicize incentives that have worked in communities to include special needs housing. Make this information available annually.	No specific action taken during the report period.

**Table 1G - Summary of Program Assistance Provided to
People with Special Needs**

Source of Funds	2002 Funding	2003 Funding	Number of Units or Households Assisted	Other Funds Leveraged
Housing Trust Fund*	\$18,717,931	\$20,449,094	881	\$82,083,967
Developmental Disabilities	\$3,814,718	\$2,175,037	47	\$4,501,909
HOME	\$0	\$1,644,025	105	\$5,013,616
Home Choice Program	\$892,679	\$956,793	74	N/A
Housing Opportunities for People with AIDS	\$608,000	\$637,000	456	N/A
CDBG	\$70,000	\$0	0	\$0
Supportive Housing Program	\$206,598	\$750,000	41	\$400,000
TOTAL	\$24,309,926	\$26,611,943	1507	\$91,999,492

*Includes HTF for Chronically Mentally Ill, Elderly, Youth, Farm Workers, People with Substance Abuse, Persons with HIV/AIDS, Survivors of Domestic Violence, and Physically Disabled.

STRATEGY 4.**Preserve existing owner-occupied housing stock.****Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:**

4.1 (Assist low-and moderate-income households to preserve single-family, owner-occupied housing) During the 2003 calendar year, 2,352 owner-occupied single family homes were preserved, using a combination of state and federal weatherization funds and HOME Repair and Rehabilitation Program funds. An additional 280 homes were weatherized with utility and other resources leveraged through the Energy Matchmakers program. Services were provided through an established network of community-based non-profit organizations and local governmental agencies

CDBG awarded \$1,545,550 for the rehabilitation of 102 units owner-occupied housing units and provided technical assistance to local governments on the development of housing rehabilitation programs in rural areas of the state. (Included in table 1D)

Specific Performance Measures 2003	
Measures	Accomplishments
Preserve at least 5,000 owner-occupied, single-family dwellings by investing in energy efficiency, health, safety, repairs and rehabilitation improvements.	2,632 units preserved with federal and state low-income weatherization and HOME Repair and Rehabilitation Program funds.

STRATEGY 5.**Preserve existing affordable rental housing units threatened with loss of expiring federal affordability requirements or deteriorating conditions.****Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:**

- 5.1 *(Make a 10 year commitment to increase Housing Trust Fund resources including targets for preservation)* The capital budget for low-income housing was increased by \$2 million to \$80 million in the 2003-05 biennial budget.
- 5.2 *(Provide state and federal funds to preserve affordable housing that is at risk of conversion to market rate and is needed for current community needs)* Non-profit organizations and Housing Authorities preserved 399 units of Section 8 housing in 2003 with HTF support.
- 5.5. *(Local Housing Authorities seeking state funds or support for HOPE 6 projects shall be required to submit a capital and resident relocation assistance plan, and replacement housing plan)* This continues to be required as part of the HTF application.
- 5.7 & 5.13 *(Collect information from owners of federally-assisted housing on expiring or prepayment of contracts. Monitor portfolio of HUD-assisted projects and expand to include USDA-assisted structures)* Collected information from 20 owners of federally-assisted housing on expiring contracts. All chose to continue in the program. Tracking was expanded to include tax credit projects. CTED participates in monthly telephone conference meetings with other organizations to monitor the portfolio of assisted units and to identify issues and work on solutions.
- 5.8 *(Require borrowers of state funds to continue Section 8 contracts for as long as the Congress and HUD make subsidies available, unless doing so jeopardizes project feasibility)* The state requires a 40-year covenant to serve low-income households on all HTF funded projects.
- 5.15 *(In cooperation with WSHFC, identify projects financed with LIHTC, and work with local housing agencies to ensure no loss of affordable housing through conversion to market rate)* CTED staff worked with WSHFC and other public funders to identify Low Income Housing Tax credits (LIHTC) funded projects whose regulatory agreements will end within the next few years.

Specific Performance Measures for 2003	
Measures	Accomplishments
Assist in preservation of 500 units of federally-assisted housing.	399 units of federally-assisted housing preserved.

STRATEGY 6.

Increase the supply of housing affordable to renter households earning up to 80 percent of the area median income, targeting households earning less than 50 percent of the area median income.

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ The HTF and HOME Program, administered by CTED, continue to provide funding for affordable housing projects statewide. In 2003 these sources provided financing to develop and rehabilitate 2,316 rental units. The majority of such funding is awarded to projects serving households at or below 50 percent AMI.
- ❑ Progress is being made on integrating land use planning and environmental review by local governments. Outstanding sub-area plans are being carried out in Mill Creek, Renton, Redmond, Everett, Tacoma, and Vancouver. Smaller communities are beginning to work on ways to speed up permitting, including Des Moines, Monroe, and SeaTac.
- ❑ Efforts continued in 2003 to develop a better management information system that will be able to track and report HTF units completed by household income categories much in the same manner as HUD's management information system for HOME.
- ❑ CDBG awarded \$77,340 for the construction of 36 units of rental housing in the low-income community of Buena, Yakima County. These were farmworker housing units.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 6.1 (*Make a 10-year commitment to increase Housing Trust Fund resources with target appropriation levels of \$85 million for the 2001-2003 biennium and \$100 million for the 2003-2005 biennium. Establish annual targets for rental units for very low-income household for the Housing Trust Fund*) The capital budget for low-income housing was increased by \$2 million to \$80 million in the 2003-05 biennial budget.
- 6.2 (*Support development and construction of new rental units affordable to households earning less than 80 percent of the area median income by the private for-profit, non-profit and public sectors*) The WSHFC administers the Federal LIHTC, the Multi-family Housing program using tax-exempt private activity bonds and the Non-Profit Housing program using 501c(3) tax-exempt bonds. These are all statewide programs accessed by the private for-profit, non-profit and public sectors. These programs specifically serve households earning less than 80 percent of the area median income. Together these programs financed 2,838 new affordable rental units in 2003.
- 6.3 (*Support rehabilitation and repair of existing rental units to increase safety and energy efficiency while reducing overall housing costs*) During the 2003 calendar year, 2,352 owner-occupied single-family homes were preserved, using a combination of state and federal weatherization funds and HOME Repair and Rehabilitation Program funds. The HTF and other funding in the HOME program assisted in the rehabilitation of 745 units of rental housing in 2003.
- 6.4 (*Work with local governments to streamline building permit review and approval process for affordable housing and thus increase the number of affordable housing units approved by city*)

and county building departments) Local governments in Washington are making progress on integrating land-use planning and environmental review, which expedites the permit process. Outstanding sub-area plans are being carried out in Mill Creek, Renton, Redmond, Everett, Tacoma, and Vancouver. Smaller communities are beginning to work on ways to speed up permitting, including Des Moines, Monroe, and SeaTac.

Growth Management Services provides grants to local governments. During FY 2003, some local governments chose to use their grant funds to improve permit programs.

- 6.5 *(Encourage county planning efforts, which address affordable housing provisions for adequately zoned land and land-use incentives for affordable housing)* Growth Management Services offers technical assistance to local governments on affordable housing issues. Since one of the major thrusts of growth management planning is to encourage infill development and increased density in urban areas where infrastructure is already provided, planners – through review of plans and regulations, and technical assistance – offer information on how to carry out these growth management goals.
- 6.6 *(Support state enabling legislation providing local government with added revenue to capitalize local housing trust funds)* Thirteen counties have executed SHB 2060 interlocal agreements and eight counties are in various stages of developing such agreements. This legislation provides revenue from a document recording fee to all 39 counties and the cities within their area to be used for affordable housing projects.
- 6.7 *(Support an increase in housing's initial share of the increase in the federal private activity bond cap for tax exempt bonds)* A substantial portion of the available bond cap continues to be used to develop affordable housing. In 2003, 57 percent of the state's total bond cap allocation went to finance affordable housing. In 2004, anticipated increases should expand the housing category even more.
- 6.10 *(Encourage high quality publicly and privately owned rental housing that targets a mixture of household incomes from low-income to median income)* A good example in 2003 is the HTF supported Denny Park Apartments. The Low Income Housing Institute is developing this project at the south end of Lake Union in Seattle. Commercial space will be on the first floor with 50 apartments above. Twenty of the units will be for households at 30 percent of AMI or below, 25 units will be for households at 50 percent of AMI, and 5 units will be for households at 60 percent of AMI. The HTF award was \$1,421,690, which is 14 percent of the \$10,303,576 total development costs.

Specific Performance Measures for 2003	
Measures	Accomplishments
1,600 rental units will be developed.	1,571 rental units of new construction with HTF or HOME funds.
200 units will be rehabilitated and/or repaired.	745 rental units rehabilitated with HTF or HOME funds (does not include units repaired under HRRP).

STRATEGY 7.

Provide and expand homeownership opportunities for households earning between 31 and 80 percent of the area median income.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 7.1 *(Make a 10-year commitment to increase Housing Trust Fund resources, including targets for preservation)* The capital budget for low-income housing was increased by \$2 million to \$80 million in the 2003-05 biennial budget.
- 7.2 *(Provide down payment assistance in partnership with the Washington State Housing Finance Commission, lenders and non-profit organizations to assist first time homebuyers to purchase homes)* The HTF provided funding for 126 households to receive down-payment assistance in 2003. In partnership with WSHFC the HTF assisted an additional 16 households with down-payment assistance in the rural areas of the state. Washington State is continuing to see that higher levels of subsidy are needed to achieve homeownership for households below 80 percent of median income. Assisting homebuyers in urban areas and tourist areas is especially difficult because of the high cost of housing and relatively low income of the targeted population.
- 7.3 *(Provide support to organizations that offer sweat equity and self-help opportunities to households who earn up to 80 percent of the area median income to reduce the costs of purchasing a home)* The HTF provided funding for 31 households to participate in self-help housing programs. A collaboration was developed between the Community Homeownership Center (CHOC), the Washington Habitat for Humanity, and the HTF to provide homeownership training to 34 local habitat affiliates.
- 7.10 *(When appropriate for a community, encourage the conversion of Section 8 rent subsidies to be used by eligible families for homeownership)* The HTF awarded funds to implement a Section 8 homeownership program for 12 families.
- 7.12 *(Work with partners to improve consumer education and disclosures about lending practices)* A media campaign to promote public awareness of predatory lending practices was launched in Seattle by the Seattle-King County Coalition for Responsible Lending (SCCKRL). SCCKRL hosted a website for predatory lending information and continued to collaborate with local and national lending institutions to disseminate predatory lending information. Predatory lending information was included in the New Americans Fair and in the homebuyer education classes conducted by the Washington State Housing Finance Commission, El Centro de la Raza, International District Housing Association, local non-profits, and Housing Authorities. Approximately 2,000 people attended these fairs.

Specific Performance Measures 2003	
Measures	Accomplishments
Assist 130 first-time homebuyers with down payments.	142 homebuyers assisted with down payments.
Assist 50 units of housing created by "sweat equity" programs.	31 units of housing created by "sweat equity" programs.
Beginning in July 2001, work with the Washington Manufactured Housing Association and local jurisdictions to develop a plan to increase manufactured homes in single-family neighborhoods. (new revenue required)	No specific action taken during the report period.
Work with legislative committees and stakeholders to identify legislative changes available to improve manufactured home purchase packages.	No specific action taken during the report period.

STRATEGY 8.**Preserve manufactured housing communities and enhance their stability.****Major accomplishments toward meeting the objectives of this strategy included:**

- ❑ Stability in manufactured housing communities was enhanced through Office of Manufactured Housing (OMH) staff involvement with over 725 requests for assistance from residents. Technical assistance, coaching, problem solving and educational material were provided to help improve landlord-tenant relationships. New activities in the OMH have been limited due to decreasing sales and shipments of manufactured homes, the sole source of revenue to impact these strategies.
- ❑ CDBG has targeted \$370,000 in planning and acquisition funds to support new housing development to accommodate the relocation of residents of threatened mobile home sites in East Wenatchee.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

8.2 *(Provide relocation assistance to park residents when their communities close)* Relocation assistance was provided to all applicants who met eligibility requirements. During the calendar year 2003, 16 households received relocation assistance.

8.5 *(Provide statewide manufactured housing community manager training, certification and technical assistance)* Formal training and outreach were not feasible due to decreasing revenue for staff resources. However, over 725 requests for assistance from residents received technical assistance, coaching, problem solving and educational material to help improve landlord-tenant relationships.

Specific Performance Measures 2003	
Measures	Accomplishments
Formulate report method and create database to manage local zoning data collection by July 2001.	No progress due to lack of revenue.
Provide relocation assistance from existing sources to 30 owners.	16 households assisted with relocation expenses.

STRATEGY 9.

Provide technical support to help communities with limited staff and resources, to develop cost-effective and competitive housing projects.

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ CTED provided formal technical assistance through a contract with Impact Capital for a program designed to increase the capacity of non-profit housing developers to develop low-income housing in rural areas of the state. Six organizations in the state will be assisted over the next three years.
- ❑ CTED staff provided technical assistance to HTF applicants when they applied to the HTF. Staff met on-site with non-profit organizations that were awarded funding from the HTF, to discuss contract terms and the development process.
- ❑ CTED amended and increased an existing contract with Common Ground to provide education to statewide organizations about SHB 2060, passed in 2002, which provides revenue in every county for low-income housing from a surcharge on document recording fees. Common Ground also provided technical assistance to organizations that provide housing for survivors of domestic violence to apply for Housing Trust Fund set-aside funds for this target population.
- ❑ The CDBG Program set-aside \$400,000 in planning funds to support a wide range of locally-prioritized planning projects that principally benefit low- and moderate-income persons.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 9.1 (*Continue to provide technical assistance through a demand-response program*) Impact Capital's program of technical assistance is currently assisting six organizations for three years. Five of the organizations have reported substantial progress and are ready to enter the second and third year of the program. A sixth organization has experienced difficulties as the result of change of leadership and will receive more intensive technical assistance from Impact Capital to attempt to improve its situation. One of the primary outcome measures of this program will be an increased number of housing units in rural areas of the state.
- 9.2 (*Continue funding of the One-Stop Development Center*) The One-Stop Center responded to 600 calls in 2003.
- 9.7 (*Sponsor regional and statewide workshops and conferences in collaboration with the WSHFC and other appropriate state and local agencies*) CTED, the WSHFC and the Washington Low Income Housing Network sponsored Housing Washington in September 2003 in Spokane. There were over 700 attendees from across the state.

Specific Performance Measures 2003	
Measures	Accomplishments
Provide technical assistance through the Housing Resource Team (HRT) to 12 projects by December 2001.	Six organizations continued to receive assistance through Impact Capital during 2003. Additionally, Common Ground provided statewide training on the SHB 2060 and CTED's Operating and Maintenance Fund
Provide two targeted workshops.	Provided four workshops statewide in January 2003 to prospective applicants to the Housing Trust Fund
Co-sponsor annual housing conference with WSHFC.	Co-sponsored the statewide Housing Conference with WSHFC in Spokane in September 2003

STRATEGY 10.

Provide leadership and incentives to developers and lenders for increasing opportunities for African-American, Hispanic and Native American households to become homeowners.

Progress toward the specific initiatives of the Plan (with reference to the Initiative Number) included:

10.1 (Work with lenders to develop general information in multiple languages on the requirements of the home buying process, including how credit is reported, analyzed and other requirements for financing the purchase of a home) The Community Homeownership Center (CHOC) developed Homeownership Regional Guides that were translated into ten languages for the metropolitan King/Snohomish Counties. Information on predatory lending and the Fair Housing Act is also available in multiple languages. CTED staff works closely with the CHOC and serves as the Marketing Chair for this group.

10.2 (Work with the Housing Finance Commission and other organizations that provide first time homebuyer education to develop information on the Fair Housing Act to include in educational programs) Predatory lending information was included in the New Americans Fair and in the homebuyer education classes conducted by the Washington State Housing Finance Commission, El Centro de la Raza, International District Housing Association, local non-profits, and Housing Authorities. Approximately 2,000 people attended these fairs. CTED also collaborated with CHOC to provide outreach and information on the Fair Housing Act to the migrant refugee population.

The annual Housing Washington conference held in collaboration with the WSHFC, CTED, the Washington Low Income Housing Network and supported by lending institutions and other businesses engaged a speaker for a plenary session on predatory lending and held a workshop on organizing to promote responsible lending practices.

10.3 (Provide information through annual updates on locations and services of first time homebuyer programs and lenders with special programs for non-English speaking buyers) CHOC provided information at two major New Americans Fairs. CHOC also hosts a website and hotline to provide information and services to first time homebuyers statewide. This information is available in multiple languages.

Specific Performance Measures 2003	
Measures	Accomplishments
Publish and disseminate a booklet on the requirements of the home buying process, and other requirements for the purchase of a home in December 2001. Publish the information in multiple languages.	CHOC provided a regional resource guide on the home buying process in multiple languages.
Include Fair Housing Act information in all first-time homebuyer education programs on a consistent basis.	Fair Housing Act information is included in the WSHFC's first time homebuyer programs and all written information distributed by WSHFC and CHOC.
Annually publish a schedule with location and services of first-time homebuyer programs for non-English-speaking buyers.	CHOC and WSHFC provide a schedule of services for first-time homebuyers including non-English speaking on their website and in local newspapers.

STRATEGY 11.**Coordinate Low Income Housing Tax Credit (LIHTC) with development of housing affordable to low-income and moderate-income families.****Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:**

11.1 (Participate in WSHFC-convened focus groups to discuss revisions to allocation criteria for LIHTC program) There were no major revisions in the LIHTC program in 2003.

11.3 (CTED Director's Office will continue to participate as voting member of WSHFC Board) Assistant Director and director attended all WSHFC board meetings as voting member of board.

11.4 (All applications submitted to WSHFC will be consistent with the state or local Consolidated Plan) All WSHFC applications received state certificate of consistency where state consolidated plan was in effect (outside of entitlement jurisdictions).

11.6 (CTED will continue to include WSHFC staff on HTF application review panels) CTED changed the review process in 2003. WSHFC staff was consulted about applications however, WSHFC staff did not participate in the CTED staff review sessions. CTED established a credit committee made up of representatives of local government, state government and WSHFC to review staff recommendations for HTF funding awards. WSHFC participated on the credit committee during spring and fall 2003 funding rounds.

11.7(CTED and WSHFC will continue concurrent funding rounds and coordinate application requirements where feasible) WSHFC changed the schedule for the LIHTC from spring to fall. This change will enhance the coordination between CTED and WSHFC and be more advantageous to applicants to both programs.

11.8 (CTED and WSHFC will cooperate to share compliance monitoring with LIHTC and HTF/HOME funds where feasible) CTED and WSHFC continue to share monitoring of projects where both organizations have invested funds.

Specific Performance Measures 2003	
Measures	Accomplishments
Establish shared monitoring plan by July 2001.	A memorandum of agreement is signed each year with the WSHFC to renew commitments to share monitoring reviews of projects that have been jointly funded.
Include staff from WSHFC in two Housing Trust Fund application review rounds (Spring and Fall 2001).	See initiative 11.6 above.

Goal II. Promote Housing Opportunities that Contribute to the Development of Healthy, Sustainable Communities

STRATEGY 1.

Create increased homeownership and rental housing opportunities for households earning between 80 and 120 percent of the area median income—in areas of rapidly increasing growth or high market areas, and households earning 100 percent of the area median income in rural and Eastern Washington areas.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 1.4 *(Increase the percentage of the bond volume cap for housing if there is an overall increase in the volume cap)* A substantial portion of the available bond cap continues to be used to develop affordable housing. In 2003, 57 percent of the total state's bond cap allocation went to finance affordable housing. Anticipated increases should expand the housing category even more in 2004.
- 1.5 *(As part of homebuyer education, include more information about other options to purchase homes)* The Washington State Housing Finance Commission (WSHFC) trained 406 lenders, real estate professionals and representatives of nonprofit organizations on teaching Homebuyer Education Training classes. In turn, these professionals taught 10,539 prospective homebuyers in 986 seminars held throughout the state.
- 1.14 *(Work with state and federal regulators, examiners, lending officials and secondary marketing analysts to develop new guidelines that would encourage lending on affordable housing)* The Web site (www.cted.wa.gov/affordablebydesign), developed by Pyatok Architects Inc. with RedStream Design & Multimedia, provides a centralized source of information for local governments, land-use planners, developers, planning commissions, elected officials, citizens, and housing financiers. It features case studies of well-designed high-density housing developments, both market rate and subsidized, that have received the Director's Award for Leadership in Housing Development from CTED. The case studies, with photos, can be browsed for information on location, planning policies, zoning, design, unit size, density, affordability and financing. New case studies can be submitted for CTED consideration through the Web site.

STRATEGY 2.

**Work with jurisdictions throughout the state to ensure that urban densities and affordable housing goals described in local comprehensive plans are achieved.
Establish benchmarks to measure progress.**

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ Many local governments continue to make progress under the state's Growth Management Act (GMA) in increasing the densities in their downtowns and other urban areas. This includes large cities such as Seattle, Tacoma, Bellevue, Everett, Kirkland, Redmond, and Renton. For example, in Tacoma, as a built-out city, they are relying on infill and redevelopment to meet growth goals. Additionally, smaller cities such as Mill Creek, Kent, Bremerton, Bainbridge Island, Issaquah, Poulsbo, Camas, and Mercer Island are also experiencing development that include denser housing and mixed-use development.
- ❑ Affordable by Design, a program focus sponsored by CTED, made significant progress in 2003. Created to encourage affordable, attractive, high-density residential housing in urban-growth areas, this program launched an interactive Web site and four demonstration projects.

The Web site ([Twww.cted.wa.gov/affordablebydesign](http://www.cted.wa.gov/affordablebydesign)) was developed by Pyatok Architects Inc. with RedStream Design & Multimedia to provide a centralized source of information for local governments, land-use planners, developers, planning commissions, elected officials, citizens, and housing financiers. It features case studies of well-designed high-density housing developments, both market rate and subsidized, that have received the Director's Award for Leadership in Housing Development from CTED. The case studies, with photos, can be browsed for information on location, planning policies, zoning, design, unit size, density, affordability and financing.

The four projects that received funding for planning and/or project costs to encourage well-designed, high-density housing in urban-growth areas were:

- The city of SeaTac working with Threshold Housing and the Housing Partnership to explore the housing market and to demonstrate how to build an attractive, affordable, commercially viable small-lot community.
 - The city of Seattle working as a team with HomeSight to construct 34 affordable condominiums on a steeply sloped, urban site. Assistance is available to qualified buyers with incomes as low as 40 percent of the area's median.
 - Snohomish County, the city of Mill Creek, the Snohomish County Economic Development Council, and Mercy Housing-Intercommunity Housing working to implement an "urban-centers" concept with a mix of housing opportunities. Grant objectives were only partially achieved due to neighborhood opposition, but the county is considering a number of code changes to encourage affordable housing.
 - The city of Mountlake Terrace and Lorig Associates LLC studying the redevelopment of a park-and-ride lot to include mixed-use, higher-density residential units. The city worked with LMN Architects on regulatory changes and design standards.
- ❑ While there is yet no state system for monitoring affordable housing production, on the local level, some communities are monitoring their progress. For example, King County has a benchmark program that contains an affordable housing indicator. In 2004, Growth Management Services plans to develop a proposal for a statewide benchmarking system that will measure how growth management is working. Among the indicators being proposed is

one on affordable housing.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 2.1 (*Provide incentives for jurisdictions to re-zone for higher densities*) The state has a property tax exemption program to encourage multi-family housing as part of downtown redevelopment. A number of communities have adopted the program and projects have been attracted to their downtowns. Similarly, state housing tax credits for lower-income housing spur the development of hundreds of units of housing each year.

When local governments sent in amendments to their growth management comprehensive plans and development regulations to CTED during CY 2003, state planners reviewed these to determine if urban densities are being achieved in urban areas. Densities of at least four units per acre in urban areas are encouraged.

Growth Management Services staff provides technical assistance to local governments to help them determine ways urban densities can be achieved in urban areas. Some examples include mixed-use development; ordinances that regulate innovative housing projects in residential zones, such as cottages, compact single-family homes, and duplexes and triplexes designed to look like single-family homes; high density development, such as 50 to 100 units per acre; and minimum parking requirements to promote increased density.

Many local governments continue to make progress under the state's Growth Management Act (GMA) in increasing the densities in their downtowns and other urban areas. This includes large cities such as Seattle, Tacoma, Bellevue, Everett, Kirkland, Redmond, and Renton. Once dominated by 1960s-era strip commercial and surface parking lots, Downtown Bellevue now houses close to 4,500 residents in 3,100 units. As a built-out city, Tacoma is relying on infill and redevelopment to meet its growth goals. Seattle is using detached accessory dwelling units and cottages in single-family neighborhoods and townhouses and small residential lots in low-density, multi-family areas. Smaller cities such as Mill Creek, Kent, Bremerton, Bainbridge Island, Issaquah, Poulsbo, Camas, and Mercer Island are also experiencing development that include denser housing and mixed-use development.

Six counties are required to analyze data on density under the state's Buildable Lands Program. Clark, King, Kitsap, Pierce, Snohomish, and Thurston counties indicated in their first reports under the program that they have an adequate amount of residential, commercial, and industrial land to meet growth needs. The last CAPER reported on the first results from the program. The second report from the counties is due in 2007.

On the regional level, Central Puget Sound promotes a growth pattern that focuses development in urban growth areas and in denser concentrations within them called urban centers. The Puget Sound Regional Council reports that during CY 2000, 85.5 percent of new housing units were permitted inside urban growth areas, up from 78.7 percent in 1995.

- 2.2 (*Create a slide show of successful community design stories for public education to educate communities about possibilities*) Growth Management Services maintains a photo library of slides and photos. The photos were used in newsletters and fact sheets and on the agency Web site to illustrate good design during CY 2003. Other notable technical assistance services are provided below.

CTED developed an interactive Web site that shows completed housing projects that meet criteria for an affordable and attractive high-density residential project in an urban growth area. The Web site provides a central source of information and a basis for CTED technical assistance to local governments, housing developers, housing financiers, and others. A consultant was hired in 2002, and the project went on-line in September 2003.

Part of Growth Management Services' technical assistance efforts is to provide grants to local governments. Among the local governments that worked on design issues in FY 2003 are Spokane County, Mount Vernon, Stanwood, and Lopez Island.

Growth Management Services is one of the organizations sponsoring the Small Communities Design Assistance Program. The program's objectives are to provide community design services to small communities not otherwise having access to them. Other partners are the Planning Association of Washington, Washington Chapter of the American Planning Association, University of Washington, and Eastern Washington University.

- 2.3 *(Create model ordinances and design guidelines to implement them)* No model ordinances related to design were created in CY 2003.
- 2.4 *(Ensure that the housing elements of comprehensive plans clearly describe housing targets, density targets, jobs-housing balance goals, and the actions being taken to meet those targets and goals)* This is part of the review that growth management planners undertake when local governments send in draft comprehensive plans and regulations. In 2003 (CY), Growth Management Services received one new comprehensive plan containing a Housing Element and two amendments to a Housing Element.
- 2.5 *(Create a monitoring mechanism and actively monitor housing production and the degree to which affordable housing targets are being met)* No state system for monitoring affordable housing production has been established. However, on the local level, some communities are monitoring their progress. For example, King County has a benchmark program that contains an affordable housing indicator. The *2003 King County Benchmark Report* shows that for the first time in the eight years since the benchmark program started, there was sufficient housing countywide for those earning 50 percent of median income or higher. However, the low-income housing was concentrated in 16 out of 40 jurisdictions, 11 of them in South County. No Eastside cities had a sufficient proportion of housing for low-income households.
- In 2004, Growth Management Services plans to develop a proposal for a statewide benchmarking system that will measure how growth management is working. Among the indicators being proposed is one on affordable housing.
- 2.6 *(Increase outreach to local jurisdictions to identify income-producing properties on the National Historic Register and encourage the use of the historic tax credit for preservation funding)* CTED's Office of Archeology and Historic Preservation has tax incentives as one of its program area and one of its goals is to promote the program.

Goal III. Fair Housing: Affirmatively Further Fair Housing in Washington State

STRATEGY 1.

Align state housing administrative policies and practices to further fair housing choice.

1.2 (Strengthen monitoring of contractor compliance to affirmatively further fair housing) The Compliance and Asset Management Section in CTED monitored 62 HOME funded projects for compliance with Fair Housing requirements, applying the HUD HOME Program Monitoring Guidelines for all housing projects funded through CTED's Housing Division. Among the areas covered are contractor data requirements, equal employment practices, complaints, affirmative marketing policies and outreach efforts.

In 2003, the CDBG Program conducted two CDBG Management Workshops, distributed the CDBG Management Handbook and conducted on-site monitoring visits to assist local government grant recipients in complying with Fair Housing requirements and affirmatively further fair housing locally. Fair Housing brochures and posters were distributed to CDBG local government recipients.

Specific Performance Measures for 2003	
Measures	Accomplishments
Disseminate management handbook to grantees in all Housing Finance Unit programs on how to affirmatively further fair housing by June 2001.	No specific actions taken during the reporting period.
Explore ways to strengthen monitoring system to assure contractor compliance with affirmative housing obligations in Housing Finance Unit programs, by June 2001.	Re-evaluation of Compliance and Asset Management unit's monitoring system underway. Monitoring improvements planned for 2004.
Work to establish an interagency fair housing workshop and convene the first meeting by June 30, 2001.	Fair Housing Act information is included in the Washington State Housing Finance Commission first time homebuyer programs and all written information distributed by WSHFC and Community Homeownership Center.

STRATEGY 2.**Take a pro-active role in helping local governments define ways to site special needs and affordable housing.****Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:**

- 2.1 *(Assist local governments to develop plans and regulations that provide for reasonable siting of necessary group care housing that may include incentives to neighborhoods to include special needs housing such as reduced sales tax burden or acceleration of regulatory review)* When local governments send in their comprehensive plans and development regulations for review, they are carefully analyzed by Growth Management Services' planners to determine if language is included that excludes group homes and other special needs housing from residential areas. If such language exists, local governments are informed about the legalities of such exclusions and are encouraged to amend their draft regulations. In 2003 (CY), local governments continued to improve the language in their ordinances and comprehensive plans related to the siting of special needs facilities as they have since the Growth Management Act (GMA) was passed in 1990. Under Washington's growth management law, a community cannot exclude group homes.

Under the GMA, local governments are required to review, and if necessary, update their comprehensive plans and development regulations every seven years to ensure that they are in compliance with the act. This will offer the opportunity for local governments to review their policies and regulations on special needs housing. In 2003, Growth Management Services received five amendments on special needs housing.

At the present time, CTED has no programs that provide incentives for siting special needs housing. However, some communities do provide incentives. For example, the City of Bremerton provides a 50 percent density bonus for senior housing.

- 2.2 *(Provide incentives and penalties for local government achievement of special needs and affordable housing goals as reflected in their growth management plan)* The state has not yet developed a program of this type.

STRATEGY 3.

Provide training to state agencies, local government, and housing service providers in fair housing laws with special emphasis on laws requiring reasonable accommodation for people with disabilities.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 3.1 *(Provide periodic training to state agency staff on ADA requirements)*
No specific action taken during the reporting period.
- 3.2 *(Provide periodic training to nonprofit and other housing groups on ADA requirements)* In 2003, the CDBG Program conducted two CDBG Management Workshops, distributed the CDBG Management Handbook and conducted on-site monitoring visits to assist local government grant recipients in complying with the Americans with Disability Act (ADA) and Section 504 requirements.

Specific Performance Measures for 2003	
Measures	Accomplishments
Hold two training sessions on the ADA for state agency staff and housing contractors.	No specific action taken during the reporting period.

STRATEGY 4.
Work with landlords to accept Section 8 vouchers.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

- 4.2 (*Break down negative attitudes relating to Section 8 and other rental assistance programs*)
 CTED contracts with the Low Income Housing Alliance to collect and report information about federally-assisted housing and to educate tenants, landlords, housing providers and public officials about this housing.

Specific Performance Measures for 2003	
Measures	Accomplishments
Make presentations to major statewide realtor groups by December 2001.	No specific action taken during the reporting period.
Include fair housing topics in most or all state-sponsored housing conferences or forums on an annual basis.	<p>A fair housing workshop taught by the Associate Regional Counsel of HUD, Region 10 was offered at 2003 Washington State Coalition for the Homeless Conference.</p> <p>The Housing Washington conference in 2003 offered a workshop on promoting responsible lending practices. The Seattle-King County Coalition for Responsible Lending presented information on educating the public to avoid predatory lending practices, researching the impact predatory lending has had in communities, and various remedies to predatory loans.</p> <p>Another Housing Washington workshop was on encouraging new coalitions of housing advocates, faith groups, environmentalists and transportation activists to focus on how equitable development policies can unite people and place, build sustainable communities and breathe new life into the civil rights challenges of the new century.</p>

STRATEGY 5.**Work with the lending community to reduce the incidence of abusive lending or predatory lending in low-income and minority neighborhoods.****Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:**

- 5.1 *(Meet with lenders and organizations that assist homebuyers to identify ways of reducing predatory lending)* A media campaign to promote public awareness of predatory lending practices was launched in Seattle by the Seattle-King County Coalition for Responsible Lending (SCCKRL). SCCKRL hosted a website for predatory lending information and continued to collaborate with local and national lending institutions to disseminate predatory lending information.
- 5.2 *(Provide education on financing to homebuyers to prevent incidents of predatory lending.)* Predatory lending information was included in the New Americans Fair and in the homebuyer education classes conducted by the Washington State Housing Finance Commission, El Centro de la Raza, International District Housing Association, local non-profits, and Housing Authorities. Approximately 2,000 people attended these fairs.

Specific Performance Measures for 2003	
Measures	Accomplishments
Meet with lenders and housing providers to identify ways to limit predatory lending practices.	Media campaign to promote public awareness of predatory lending launched.

Goal IV: Remove or Mitigate Negative Effects of Policies that Serve as Barriers to Affordable Housing

STRATEGY 1. Work with local jurisdictions to change zoning to (a) allow placement of manufactured housing in all single-family neighborhoods, and (b) increase opportunities for preservation and establishment of manufactured-housing communities.

- 1.1 *(Work to establish by state law, under appropriate conditions and standards, manufactured housing as a permitted dwelling unit under local zoning and prohibit communities from enacting ordinances forbidding manufactured housing)*
No action taken in 2003 due to lack of revenue to support this activity.
- 1.2 *(Assist with efforts to eliminate local zoning restrictions that remain in some cities on the placement of manufactured housing in single-family neighborhoods. No action taken due to lack of resources to support this activity.)*

Specific Performance Measures for 2003	
Measures	Accomplishments
Beginning July 2001, work with the Washington Manufactured Housing (WMH) Association and local jurisdictions to develop a plan to increase manufactured homes in single-family neighborhoods.	<p>No formal planning initiated, however, successful relationships with local building officials continue and are being sustained through:</p> <ul style="list-style-type: none"> • Consistent participation in co-sponsored projects and quarterly WA Association of Building Officials meetings. • Providing technical assistance to local inspectors who are responsible for inspecting manufactured-home installations.

STRATEGY 2.

Support local efforts to streamline building permit review and approval processes, to reduce time required to process, in order to minimize development time and costs associated with project review and permitting.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

2.1 (Assist local jurisdictions to pre-permit sites to make them housing ready)

Some excellent work has been occurring in Washington on integrating land-use planning and environmental review. Last year's report included information on 15 local governments that carried out successful SEPA/GMA integration projects featuring expedited environmental review and permitting. Communities in the state are continuing to work on ways to speed up the permit process, including smaller cities such as Des Moines, Monroe and SeaTac.

Growth Management Services provides grants to local governments. During FY 2003, part of the grants for the city of Spokane, the city of Mount Vernon and Clallam County related to work on streamlining permitting processes.

2.2 (Urge local governments to provide opportunities for early cooperative interaction between developers, local governments, and interested citizens so specific code issues can be addressed before projects are initiated)

One of the goals of the GMA is early and continuous citizen participation. Developers are finding that meeting with community residents in the early stages of permitting helps to gain approval for their projects. This early interaction is recommended by CTED in its technical assistance to local governments.

2.4 (Work with local governments to expand outsourcing of code review processes when backups occur and to use management techniques to enhance predictability, coordination, and certainty to the permit process)

Part of Growth Management Services' technical assistance efforts is to work with local governments on regulatory reform, including permit streamlining. Planners meet with local government representatives on a regular basis to discuss important issues, including consistency and predictability in permit processing.

2.5 (Work with local governments to assure emphasis on consistency, fairness, and transparency of both code review and subdivision [infrastructure] development process.)

One of the goals of the GMA is that applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability. In addition, permit streamlining is encouraged by Washington State's regulatory reform laws. Through its technical assistance program, Growth Management Services encourages local governments to meet these state goals and laws.

Some of the local governments that have made improvements to their permit systems include: Tacoma, Renton, Dupont, Sumner, Spokane, Mill Creek, Seattle, Vancouver, Redmond, Everett, Tukwila and Mercer Island.

STRATEGY 3.**Partner with federal and local governments to implement Endangered Species Act (ESA) standards to expedite review and approval process.****Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:**

3.1 *(Work with affected jurisdictions to coordinate checklists for determination of project effects)* Growth Management Services continued to provide technical guidance documents and workshops on the use of these environmental analysis tools.

3.2 *(Work with jurisdictions and developers to identify and encourage project development in areas likely to have no effects on endangered species determinations)* A publication, *Critical Areas Assistance Handbook: Protecting Critical Areas Within the Framework of the Washington Growth Management Act*, was prepared and distributed on a CD to local governments during CY 2003. Effective local government critical areas programs can help avoid proposing developments in habitats and near streams important to endangered species.

In 2003, the CDBG Program conducted two CDBG Management Workshops, distributed the CDBG Management Handbook and conducted on-site monitoring visits to assist local government grant recipients in complying with the State Environmental Policy Act (SEPA), National Environmental Policy Act (NEPA) and Endangered Species Act (ESA).

Specific Performance Measures for 2003	
Measures	Accomplishments
Collaborate with HOME participating jurisdictions to develop a checklist for non-participating jurisdictions.	Continued efforts to coordinate ESA-related review with local governments and develop ESA review tools for rural areas.

STRATEGY 4.**Allow any degree of renovation to existing housing.**

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

4.1 (Work with local jurisdictions to allow any degree of renovation that is consistent with safety, short of compliance with the full code) Through its technical assistance efforts, Growth Management Services encourages local governments to find ways to make development more predictable, including ways to simplify building codes.

Goal V. Enhance Coordination

STRATEGY 1.

Enhance coordination between public and assisted housing providers, and private and governmental health, mental health, and service agencies.

- ❑ CTED works in cooperation with other state agencies to address the secondary impacts of decisions made by a state agency. For example, the Department of Health (DOH) inspects agricultural camps and they sometimes close camps because of health violations. To prevent homelessness, the HTF provides the DOH funding for vouchers for farmworkers who get evicted from camps that are closed because of health violations.
- ❑ There is also on-going coordination with the Grower's League to run a Rent-a-Tent program to provide temporary shelter during the harvest season for certain crops.
- ❑ CTED serves on a Supportive Housing Steering Committee that is designed to transform the current service delivery system into a more integrated system that delivers finances and services for people who are homeless. Through funding from the Corporation of Supportive Housing, projects in Seattle and Spokane are currently underway to create a "pipeline" of project to develop supportive housing and to increase the investment by states and local jurisdictions in the creation of supportive housing.
- ❑ CTED sits on boards and commissions of other organizations such as the WSHFC and the Washington Community Reinvestment Association, which serves to foster information sharing, collaborative action, and unified advocacy.
- ❑ Housing Our Community, a partnership between the nonprofit members of the Housing Development Consortium of Seattle-King County, the Master Builders Association of King and Snohomish Counties, the Seattle-King County Association of REALTORS® and the WSHFC developed a series of television messages airing on KIRO TV (Channel 7) designed to raise awareness of the people and organizations that are meeting the housing needs of Washington State.
- ❑ CTED, the Seattle/King County, and Snohomish County homeless continuums of care joined together to jointly adapt a common Homeless Management Information System software system that is compliant with the draft HUD data standard.
- ❑ A joint effort by the Department of Corrections, CTED, the victim community, and emergency shelter providers has developed model guidelines for the release of sex offenders into emergency shelter.
- ❑ The HTF participates in a public funders' group that is comprised of managers from local government and other public funding organizations. This group works to problem-solve issues relating to housing policy and financing.
- ❑ The HTF also relies on a Policy Advisory Team made up of non-profits, public funders, private lenders and the Department of Social and Health Services to provide recommendations regarding administration of the HTF.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) include:

1.2 (CTED will work with DSHS to identify a funding source for operating and maintenance support for projects for people with developmental disabilities) The state Legislature established funding that created the Operating and Maintenance Fund program in 2003. An initial award was made to Parkview Services for the Parkview VI and VII projects. These provided \$39,963 and \$44,511 respectively for one year. More awards are being finalized for 2004 and 2005.

1.9 (CTED will work with public housing authorities to ensure Public Housing Authority plans are consistent with the State Consolidated Plan) CTED continues to review Public Housing Authorities' Five-year plans, to assure they are consistent with the state's Consolidated Plan.

B. Homelessness—Toward a Continuum of Care

Point in Time Count of Homeless Persons

In October 2003 CTED organized a point in time count of homeless persons in the Balance of State Continuum of Care. The point in time count was the first multi county count attempt in Washington State.

For many parts of the state, this is the first time we have an actual count, as opposed to estimates of homelessness that were developed using less robust methodology. The count not only collected numbers of homeless persons, but also collected information on disabilities, length of time homeless, location where they became homeless, and income. This rich source of data has just begun to be tapped by state and local continuum planning groups in their collective efforts to address homelessness.

Beyond the valuable information on homelessness provided by the count, the count process has also contributed to our Homeless Management Information deployment effort. The count was actually performed using the HMIS system, which provided every community in the continuum a chance to learn how to use the system, and provide us feedback on how it can be improved. This trial run of the HMIS helped validate our approach to HMIS deployment, training and support.

Homeless Management Information System

The first part of 2003 was devoted to working with HUD to provide feedback on a HMIS data standard. Once the draft standard was released, CTED Balance of State, the Seattle/King County, and Snohomish County continuums of care joined together to jointly adapt a common HMIS software system to the draft HUD data standard. The joint effort to address the HMIS requirements has enhanced cooperation between continuums, and led to the continuums now exploring additional ways continuum efforts can be further integrated.

The full-scale deployment of the HMIS is awaiting the release of the final HUD data standards, which were released as a draft in the summer of 2003.

Development of Draft Standards for the Use of Emergency Shelters for Released Registered Sex Offenders

Our overriding goal is to find appropriate transitional or permanent housing for sex offenders released from state prisons rather than housing in emergency shelters. However, released sex offenders have found their way into shelters, often without any formal system of safeguards. A joint effort by the Department of Corrections, CTED, the victim community, and emergency shelter providers has developed model guidelines for the release of sex offenders into emergency shelter. The draft guidelines cover notifications, identification of appropriate facilities, and the case management and law enforcement necessary to increase public safety. These draft guidelines are now being reviewed and refined by pilot communities.

Other notable events and activities in 2003 were:

Emergency Shelter

- ❑ The Emergency Shelter Assistance Program provided 1,228,623 bednights of shelter in 2003. No significant change in the amount of shelter provided from last year.

- ❑ The HTF funded an additional 26 units of shelter for survivors of domestic violence maintaining the number of units developed each year for this targeted population.
- ❑ Through its partnership with local community action agencies, CDBG funded \$291,374 for public services that respond to household emergencies and disasters with direct relief and referrals to existing community programs, including one-time payments or short-term loans to families or individuals; legal assistance; shelter; clothing; intervention in emergencies resulting from child, spouse, alcohol or drug abuse; emergency medical and/or dental services, and/or cash support.

Transitional Housing

- ❑ In 2003 HUD awarded close to \$3 million dollars to the Balance of State Continuum of Care for 22 projects serving non-urban counties in Washington State. This doubled the number of communities who joined the Balance of State Continuum of Care in applying for these federal McKinney dollars. It represents a growing trend to join together in a greater planning effort to coordinate services to people who are homeless. Rather than continuing smaller regional planning efforts, more and more jurisdictions are joining the state's Continuum of Care planning group to take advantage of the existing capacity to pull together diverse communities into a cohesive and focused group dedicated to maximizing our collective strengths and bringing in new resources to the more rural areas of our state.
- ❑ The state's Transitional Housing, Operating and Rent Assistance (THOR) program enrolled an additional 580 new families in 2003 bringing the total served to 1,576 for the year. This represents a 50 percent increase in the number of homeless families with children who received rental assistance.
- ❑ The HTF funded an additional 290 units of transitional housing for people who are homeless in 2003 representing a ten percent increase from last year.
- ❑ Through its partnership with local community action agencies, CDBG funded \$70,019 for public services in support of transitional housing activities.

Permanent Housing

- ❑ The HTF awarded \$579,923 to Northwest Regional Facilitators to develop 12 units of permanent housing for persons who are developmentally disabled or chronically mentally ill.
- ❑ The Capitol Hill Housing Improvement organization received \$1,500,000 in a HTF award to develop, in part, ten units of permanent housing for persons with HIV/AIDS.

System Development

- ❑ Housing providers, local government and philanthropic organizations have banded together to work on legislation to establish a statewide trust fund that would support provision of supportive services in housing projects serving homeless families with children. Although the final outcome of this initiative is not known at this time, it represents an exciting idea that is sure to be pursued in future biennia.

C. OTHER SUPPORTIVE ACTIONS

I. Lead-Based Paint Plan

STRATEGY 1.

Evaluate and reduce, as well as educate residents and workers about, lead-based paint hazards in housing, and in receiving state and federal assistance.

Major accomplishments toward meeting the objectives of this strategy included:

- ❑ During the 2003 Legislative Session, ESSB 5586 was passed giving CTED the legislative authority to establish a statewide Lead-based Paint Accreditation and Certification Program. CTED secured \$441,800 of EPA grant funding and is now working both to establish this program and to write a HUD Lead-based Paint Hazard Control Grant.
- ❑ A Program Manager for the Lead-Based Paint Program was hired. Members of a state-agency working group and a Task Force were identified to guide general planning and program development. Administrative rules were drafted and the filing process initiated.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) include:

2. *(Provide input on lead-based paint draft rules being developed by the EPA that will apply to CTED's weatherization program)* The EPA has not published draft rules for Lead-Based Paint Renovation and Remodeling as directed by Section 402 (c)(3) of TSCA.
3. *(Coordinate the development of comprehensive policies and procedures on lead-based paint for CTED's housing programs)* Draft lead-based paint policies and procedures for weatherization and Home Repair and Rehabilitation Program projects has been developed by the Technical Development Committee of the Weatherization and Repair Work Group. This document is in the completion and review stage.
5. *(Seek additional funding from state and federal resources to increase the number of trained and certified lead-based paint professionals working as local agency contractors and to increase the number of units mitigated)* During the 2003 Legislative Session, ESSB 5586 was passed giving CTED the legislative authority to establish a statewide Lead-based Paint Accreditation and Certification Program. CTED secured \$441,800 of EPA grant funding and is now working both to establish this program and to write a HUD Lead-based Paint Hazard Control Grant.
6. *(Educate housing authorities and others on how to identify and reduce the hazard of lead based paint)* The Building Performance Center's Peer Circuit Rider Training (CTED contractor) includes ongoing training modules on Lead-Safe Weatherization, Work Practices, Containment, Cleanup and Worker Protection. This training is available to CTED's 26-agency weatherization and rehabilitation network served by the Housing Improvements and Preservation Unit.
7. *(Ensure contractors meet the requirements to educate residents)* CTED's Housing Improvement Unit (HIP) staff monitors CTED contractors' home project files for compliance

with the requirements to educate residents about potential lead-based paint hazards in their homes. The publication titled, "Protect Your Family from Lead in Your Home," published by EPA, HUD and the Consumer Product Safety Commission, is given to each homeowner involved in a weatherization or rehabilitation project to ensure compliance with the requirements to educate residents. Signed notification forms are available in all tenant files for multi-family projects and in homeowner files for weatherization and rehabilitation single-family projects. Notification is also posted in the office of every multi-family project location.

8. *(Provide technical assistance and training to its contractors to assess and mitigate lead-based paint hazards in projects)* Classes were provided in 2001, and the HIP Unit continues to provide ongoing training through the Peer Circuit Rider contractor and technical assistance by HIP Unit staff.
9. *(Prioritize pre-1978 units with children age six years or younger living in them for monitoring by the Tenant Based Rental Assistance (TBRA) and Housing Opportunities for Persons with AIDS (HOPWA) programs.)* This is not a requirement in the TBRA regulations; however, CTED will monitor 25 percent of the units funded with Housing Trust Fund (HTF) money that also have children age six years or younger living in them.
10. *(Monitor 25 percent of the pre-1978 low-income housing units where contractors have performed moderate rehabilitation. For substantial rehabilitation performed with HOME funds, all projects will receive a Phase I closeout within 90 days of completion and compliance with the 2003 HUD lead-based paint regulations will be verified)* HIP Unit Home Repair and Rehabilitation Program field technical staff will monitor 25 percent of the pre-1978 low income housing units where contractors have performed moderate rehabilitation, for compliance with lead-based paint regulations.
11. *(Update data reporting systems to track lead-based paint activities and demographics by July 2001)* Planning initiated for Lead-Based Paint (LBP) Program operational systems. Pending adoption of administrative regulations, LBP Program will track the following lead-based paint activities: LBP abatement and training. CTED's Compliance and Asset Management (CAM) Unit will track where monitoring discovers lead-based paint.

Specific Performance Measures for 2003	
Measures	Accomplishments
CTED monitoring of contractor project files will show 95 percent compliance with education standards.	40 Home Repair and Rehabilitation Program (HRRP) files monitored showed 95 percent compliance with the education standards.
Owners of assisted programs will receive lead-based paint education.	HRRP and Weatherization contractors notified homeowners in pre-1978 homes served. TBRA and HOPWA contractors monitored by the CAM Unit provide required notification.
Number of units receiving lead-based paint hazard reduction activity is increased.	35 HRRP pre-1978 units with lead-based paint have received hazard reduction activities this year.

II. Anti-poverty Strategy—Poverty in Washington State

STRATEGY 1. Coordinate housing, supportive services, and WorkFirst activities so that they have a larger impact on poverty.

Progress toward the specific Initiatives of the Plan (with reference to the Initiative Number) included:

1.1 (*Improve the integration of support services into housing development projects*) The Affordable Housing Advisory Board established a goal of developing a supportive housing element for their five-year plan due in 2004. A subcommittee was established and will work through 2004 to identify specific outcomes in the areas of systems/funding integration and unit production, and to establish a mechanism to evaluate impacts.

Supportive services linked to housing are essential. Seattle and Spokane are currently engaged in a two-year effort called the "Taking Health Care Home" initiative that is designed to expand the existing array of supportive housing for homeless individuals and families available in their areas. They have enlisted the support of CTED and DSHS to ensure that the full range of systems involved in the funding and delivery of supportive housing are committed to this effort.

1.3 (*Encourage the participation of public housing authorities in WorkFirst Local Area Planning partnerships, including activities such as case staffing, coordinating responses for clients/renters in sanction, using PHA facilities as learning centers for job readiness, and providing housing-based employment*) Using a "seed" grant from CTED's WorkFirst Division, Clark County's WorkFirst office partnered with the Vancouver Housing Authority to better ensure families served by both programs are actively participating in activities to help them find work and become self-sufficient. Under the new partnership, WorkFirst staff identify Housing Authority residents who are employable but not participating in the WorkFirst program by seeking work or preparing for employment. A Housing Authority case manager then contacts those residents and works with WorkFirst staff to re-engage residents in WorkFirst activities required to maintain public housing eligibility. Most residents are now successfully participating in job search activities, have maintained their housing subsidies, and have had their full WorkFirst cash payments reinstated as a result of their compliance.

1.5 (*Provide technical assistance to Local Area Planning groups that have significant housing barriers so that communities can access Housing Trust Fund and other housing resources*) CTED's WorkFirst Division paid for six representatives from organizations in Clarkston and Colfax to attend a seminar to learn grant-writing skills. Trained staff formed a team to research and write grants that will help meet the needs of low-income families.

STRATEGY 2. Increase access to education and employment for low-income families.

2.2 (*Support local efforts to attract employers that will provide career ladders for low-income families*) CTED's WorkFirst Business Outreach program advocated for and supported targeted industry approaches, beginning with identifying the strength of specific industries in a local economy. Local community partners provide services such as information sharing, hiring, training and career progression, etc., leveraging other local funding in most cases. CTED

supported numerous local projects, such as WorkFirst Medical Clerical Training at Columbia Basin College, a warehouse industry study in Lower Yakima Valley, and Food Processing Industry Forum in Kennewick, and Hospitality Careers Training at Yakima Valley Community College. In addition, CTED sponsored a Statewide Hospitality Industry Forum and directly funded two projects, one in Spokane and the other in King County. These two projects resulted in over 100 placements and creation of 35 new business linkages.

- 2.4 *(Provide funding for job training and counseling services, particularly for those that are hardest to employ)* The Community Jobs (CJ) program served 2,727 participants, working with 17 consortiums around the state, plus four tribes. Community Jobs is a component of WorkFirst that provides paid transitional work experience for challenged TANF recipients encountering barriers into the job market. CTED's WorkFirst Division administers the program through contracts with community-based, tribal and local government organizations. Our statewide unsubsidized employment placement rate averages between 50-60+ percent with public/private employers. With statewide budget reduction over the last two years, CJ's budget has been reduced by approximately \$13 million; \$3 million in 2002-03 and \$5 million each year for 2004-05. Community Jobs is working to incorporate partnerships with offender-to-work initiatives and continues to provide quality services with developed partnerships.

CTED's WorkFirst Division provided a number of "seed" grants to local communities to support innovative projects to help move families from welfare to self-sufficiency and strengthen partnerships among local service providers. Activities funded included life skills workshops for teens whose parents are on welfare, bus rides for rural residents participating in job preparation activities, and workshops for parents in sanction for failure to comply with WorkFirst requirements. This last activity helped parents to seek work or prepare for employment by introducing them to resources to overcome obstacles, find work, become self-sufficient and lead fulfilling lives.

STRATEGY 3.

Promote the economic advancement of low-income families.

- 3.1 *(Provide funding for individual development accounts to help low-income families acquire assets, including education, microenterprise, and homeownership)* During 2003, 141 low-income families enrolled in CTED's Individual Development Accounts (IDA) program, bringing total enrollments to 597. The IDA program encourages low-income workers to save money and invest in an asset by matching savings intended for a specific use. Eligible uses include first-time homeownership, small business capitalization, and post-secondary education. Participants must complete financial literacy training and training specific to their chosen asset. As of December 2003, a total of 398 participants had completed financial literacy training, 191 had received asset-specific training, and 94 had successfully completed their goal of purchasing an asset. Of these, 56 purchased a home, 26 capitalized a small business, and 12 paid for post-secondary education

STRATEGY 4.**Improve coordination with the WorkFirst and WorkSource programs.**

- 4.2 (*Identify gaps in workforce development services for low-income persons and develop strategies to address them*) For the past five years, CTED WorkFirst Business Outreach staff has worked in tandem with the Washington State's WorkSource system to increase the number of business customers for the system. Business Outreach Teams are now in place in all local partnerships. Through training and technical assistance, these teams have increased sophistication in their approaches in working with the business community. Hiring events have become a norm, and are taking place regularly. The lack of a statewide data system to demonstrate results remains an issue. The WorkFirst/WorkSource Leadership Team has made it a priority to improve its data collecting system.

III. Citizen Participation

The 2003 report was posted on the Housing Division and the Community Development Block Grant websites on March 10, 2004 and a public notice published in the Daily Journal of Commerce inviting interested parties to submit comments by March 24, 2004.

One person pointed out an error in the reference to the Washington State Housing Finance Commission's Multi-Family Bond program in Table 1B of the CAPER. The reference, for the type of grantee that typically accesses this program, was accordingly corrected.

The only other comment received was a letter from Columbia Legal Services that supported CTED's decision to update the five year Consolidated Plan in 2004. They also noted this year's CAPER contained more information than last year on the number of households served and the amounts disbursed, by income category. However, they pointed out that other data was still needed in order to fully evaluate the use of federal and state housing dollars in Washington State. The letter, as well as the Housing Division's response, is included as an attachment to this report.

March 24, 2004

Washington State Department
of Community, Trade and Economic Development
Housing Division
P.O. Box 42525
Olympia, Washington 98504-2525

Attention: Stephen H. Buxbaum

Re: Draft 2003 Washington State Consolidated Annual Performance and Evaluation Report

Dear Mr. Buxbaum:

We are writing to comment on the draft 2003 Washington State Consolidated Annual Performance and Evaluation Report. These comments should be read in conjunction with the previous comments that we submitted to the Department in November 2000, October 2002, and June 2003. The gist of our comments remains the same. The Department should target a greater percentage of our Federal and State housing and community development funds to addressing the housing needs of the homeless and those at risk of becoming homeless: extremely low income households who earn 30% or less of area median income.

As we explained in our November 2000 comments on the draft Consolidated Plan, the available census data is unequivocal. The housing needs of “extremely low-income” households are much more serious when compared to the housing needs of other very low, low and moderate income households. Earlier this Fall, HUD released new Comprehensive Housing Affordability Strategy (CHAS) data based on a special tabulation from the 2000 Census. This data continues to show that a large number of extremely low-income households, particularly renters, are severely cost-burdened, i.e. paying more than 50% of their income for housing. The housing needs of these households are both quantitatively and qualitatively much more severe than those of higher income families.

We Agree the Department Should Update its Consolidated Plan

Now that the Census 2000 data is available, we fully support DCTED’s decision to update its Consolidated Plan earlier than scheduled. As part of this process, DCTED and its stakeholders should re-examine our current strategies and objectives and set priorities that are consistent with this data. We applaud the Department for making it clear that a

new plan should better focus on the goal of creating and preserving safe, decent and affordable housing for our lowest-income residents. Please make sure that we are kept apprised of and involved in this important planning process.

We Support the Department's Plans to Improve Its Data Collection and Reporting Systems

We also support the Department's plans to improve its data collection and reporting systems. While the draft 2003 Consolidated Annual Performance and Evaluation Report does a much better job than last year's in reporting who we served by income category, further improvement is needed. For example, we need to break down the HOME TBRA data by program year so that we can ascertain whether there have been any significant changes in this program over the years.

In the past, we advocated that DCTED increase the amount of HOME funds going to Tenant Based Rental Assistance as this seems to be the program most likely to meet the housing needs of our clients. We cannot tell from the 2003 CAPER whether the agency has moved in this direction. There is no disbursement information for this program for Program Year 2003. While the Program Year 2003 awards seem to suggest a greater emphasis on this program, we need historical data to see whether or not this is a trend in the right direction.

We also need historical information to ascertain whether the agency is doing more or less to serve extremely low-income households. While the HOME data for units completed by income category for Program year 2003 look quite good, we cannot ascertain whether this is consistent with previous years or a change in emphasis. We also need to look at the amount of funds disbursed and/or awarded by income category and not just units completed. While units completed are an important measurement of how we are spending these scarce resources, we also want to know what proportion of funds we are actually spending on each income category. The HOME TBRA numbers seem to suggest that we can serve a much larger number of households with Tenant Based Rental Assistance than we can through home repair and rehabilitation. If true, we may want to reallocate our HOME funds differently.

Lastly, we need to collect and report similar information for households served and units completed with Housing Trust Fund dollars. This is an issue that has come up repeatedly at Policy Advisory Team (PAT) meetings. We need to know who we are serving with our Housing Trust Fund dollars and what barriers, if any, prevent us from serving a greater number of extremely low-income households. It is difficult to set priorities in the HOME program, without taking into account what we are doing with our State funds.

We Believe the Department Should Devote More of Its Federal Housing and Community Development Funds to the Housing Problems of Renters Than It Has Historically.

As we have explained in the past, Columbia Legal Services represents low-income households with incomes below 125% of the Federal Poverty guidelines. The vast majority of our clients earn 30% or less of area median income. By necessity, the majority of our clients are renters. As a result, relatively few of them benefit from the Home Repair and Rehabilitation and Weatherization programs. While these are worthwhile programs, DCTED should devote a similar amount of funds to providing Tenant Based Rental Assistance and on other types of rental housing.

Please provide our office with a copy of the final draft of the 2003 Washington State Consolidated Annual Performance and Evaluation Report when it is submitted to HUD. We would also like copies of all public comments, any written review received from HUD, the Department's response, and any revisions made to the report as a result of such a review.

Thank you for your assistance.

Sincerely,

Columbia Legal Services

Gregory D. Provenzano
Nicholas B. Straley
Attorneys at Law

CTED's Response to Columbia Legal Services

CTED continues to work with HUD to identify additional management reports through the Integrated Disbursement Information System (IDIS) that would report the amount of funds disbursed and/or awarded by income category on an annual basis for all HOME funded programs. Efforts to publish similar reports for projects funded by the state's Housing Trust Fund are also being initiated.

CTED noted that while assistance to those most in need is a high priority, many service providers continue to advocate for the flexibility to serve income levels above 30 percent of county median income to assure their projects remain viable. CTED recognizes the importance of continuing to discuss this and other critical issues throughout the year as the state's Consolidated Plan is updated.